



January 30, 2004

SENATE BILL No. 225

DIGEST OF SB 225 (Updated January 28, 2004 3:16 pm - DI 87)

Citations Affected: IC 1-1; IC 6-1.1; IC 36-1; IC 36-4; IC 36-12.

Synopsis: Reorganization of municipal corporations. Provides an optional method for reorganization of governments in counties (excluding Marion County) that contain second class cities. Changes the population parameters for first and second class cities so that reorganization does not change a city's classification. Provides for establishing and appointing members to a reorganization commission. Requires the commission to develop a plan for reorganization that may include consolidation of governments in the county. Provides that if a reorganization commission decides to proceed with a government reorganization a local public question on the government reorganization must be submitted to all voters in the county. Provides transition mechanisms for reorganized units.

Effective: Upon passage.

**Long, Wyss, Lanane, Meeks C,
Broden, Skillman**

January 8, 2004, read first time and referred to Committee on Governmental Affairs and Interstate Cooperation.
January 29, 2004, amended, reported favorably — Do Pass.

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SB 225—LS 6799/DI 87+



January 30, 2004

Second Regular Session 113th General Assembly (2004)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2003 Regular Session of the General Assembly.

SENATE BILL No. 225

A BILL FOR AN ACT to amend the Indiana Code concerning local government.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 1-1-4-5, AS AMENDED BY P.L.170-2002,
2 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: Sec. 5. The following definitions apply to the
4 construction of all Indiana statutes, unless the construction is plainly
5 repugnant to the intent of the general assembly or of the context of the
6 statute:

7 (1) "Adult", "of full age", and ~~"person in his "~~**"age of majority"**
8 ~~mean~~ **refer to** a person at least eighteen (18) years of age.

9 (2) "Attorney" includes a counselor or other person authorized to
10 appear and represent a party in an action or special proceeding.

11 (3) "Autism" means a neurological condition as described in the
12 most recent edition of the Diagnostic and Statistical Manual of
13 Mental Disorders of the American Psychiatric Association.

14 (4) "Bond" does not necessarily imply a seal.

15 (5) "Clerk" means the clerk of the court or a person authorized to
16 perform the clerk's duties.

17 (6) **"Consolidated city" refers to a first class city that has**



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become a consolidated city under IC 36-3-1.

(7) "Health record", "hospital record", or "medical record" means written or printed information possessed by a provider (as defined in IC 16-18-2-295) concerning any diagnosis, treatment, or prognosis of the patient, unless otherwise defined. Except as otherwise provided, the terms include mental health records and drug and alcohol abuse records.

~~(7)~~ (8) "Highway" includes county bridges and state and county roads, unless otherwise expressly provided.

~~(8)~~ (9) "Infant" or "minor" means a person less than eighteen (18) years of age.

~~(9)~~ (10) "Inhabitant" may be construed to mean a resident in any place.

~~(10)~~ (11) "Judgment" means all final orders, decrees, and determinations in an action and all orders upon which executions may issue.

~~(11)~~ (12) "Land", "real estate", and "real property" include lands, tenements, and hereditaments.

~~(12)~~ (13) "Mentally incompetent" means of unsound mind.

~~(13)~~ (14) "Money demands on contract", when used in reference to an action, means an action arising out of contract when the relief demanded is a recovery of money.

~~(14)~~ (15) "Month" means a calendar month, unless otherwise expressed.

~~(15)~~ (16) "Noncode statute" means a statute that is not codified as part of the Indiana Code.

~~(16)~~ (17) "Oath" includes "affirmation", and "to swear" includes to affirm.

~~(17)~~ (18) "Person" extends to bodies politic and corporate.

~~(18)~~ (19) "Personal property" includes goods, chattels, evidences of debt, and things in action.

~~(19)~~ (20) "Population" has the meaning set forth in IC 1-1-3.5-3.

~~(20)~~ (21) "Preceding" and "following", referring to sections in statutes, mean the sections next preceding or next following that in which the words occur, unless some other section is designated.

~~(21)~~ (22) "Property" includes personal and real property.

~~(22)~~ (23) "Sheriff" means the sheriff of the county or another person authorized to perform sheriff's duties.

~~(23)~~ (24) "State", applied to any one of the United States, includes the District of Columbia and the commonwealths, possessions, states in free association with the United States, and the territories. "United States" includes the District of Columbia and

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the commonwealths, possessions, states in free association with the United States, and the territories.

~~(24)~~ (25) "Under legal disabilities" includes persons less than eighteen (18) years of age, mentally incompetent, or out of the United States.

~~(25)~~ (26) "Verified", when applied to pleadings, means supported by oath or affirmation in writing.

~~(26)~~ (27) "Will" includes a testament and codicil.

~~(27)~~ (28) "Without relief" in any judgment, contract, execution, or other instrument of writing or record, means without the benefit of valuation laws.

~~(28)~~ (29) "Written" and "in writing" include printing, lithographing, or other mode of representing words and letters. If the written signature of a person is required, the terms mean the proper handwriting of the person or the person's mark.

~~(29)~~ (30) "Year" means a calendar year, unless otherwise expressed.

~~(30)~~ (31) The definitions in IC 35-41-1 apply to all statutes relating to penal offenses.

SECTION 2. IC 6-1.1-18.5-7, AS AMENDED BY P.L.90-2002, SECTION 163, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) A civil taxing unit is not subject to the levy limits imposed by section 3 of this chapter for an ensuing calendar year if the civil taxing unit did not adopt an ad valorem property tax levy for the immediately preceding calendar year.

(b) If under subsection (a) a civil taxing unit is not subject to the levy limits imposed under section 3 of this chapter for a calendar year, the civil taxing unit shall refer its proposed budget, ad valorem property tax levy, and property tax rate for that calendar year to the local government tax control board established by section 11 of this chapter before the tax levy is advertised. The local government tax control board shall then review and make a recommendation to the department of local government finance on the civil taxing unit's budget, ad valorem property tax levy, and property tax rate for that calendar year. The department of local government finance shall make a final determination of the civil taxing unit's budget, ad valorem property tax levy, and property tax rate for that calendar year. ~~However,~~ **Except as provided in IC 36-12-7-9**, a civil taxing unit may not impose a property tax levy for a year if the unit did not exist as of March 1 of the preceding year.

SECTION 3. IC 36-1-2-4.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE

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UPON PASSAGE]: **Sec. 4.2. "Consolidated city" refers to a first class city that has become a consolidated city under IC 36-3-1.**

SECTION 4. IC 36-1-3-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) Except as provided in subsection (b) **and (c)**, a unit may exercise any power it has to the extent that the power:

- (1) is not expressly denied by the Indiana Constitution or by statute; and
- (2) is not expressly granted to another entity.

(b) A township may not exercise power the township has if another unit in which all or part of the township is located exercises that same power.

(c) A unit may exercise the power of another entity if:

- (1) the exercise is in accordance with a reorganization plan under IC 36-12 that reorganizes both the unit and the other entity; and**
- (2) the reorganized unit is not expressly prohibited from exercising the power by statute, rule, or other law.**

SECTION 5. IC 36-1-3-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) The area inside the boundaries of a county comprises its territorial jurisdiction. However, a municipality has exclusive jurisdiction over bridges (subject to IC 8-16-3-1), streets, alleys, sidewalks, watercourses, sewers, drains, and public grounds inside its corporate boundaries, unless a statute provides otherwise.

(b) The area inside the corporate boundaries of a municipality comprises its territorial jurisdiction, except to the extent that a statute expressly authorizes the municipality to exercise a power in areas outside its corporate boundaries.

(c) Whenever a statute authorizes a municipality to exercise a power in areas outside its corporate boundaries, the power may be exercised:

- (1) inside the corporate boundaries of another municipality, only if:

(A) both municipalities, by ordinance, enter into an agreement under IC 36-1-7; or

(B) the power is exercised in accordance with a reorganization plan under IC 36-12 that reorganizes both municipalities; or

- (2) in a county other than the county in which the municipal hall is located, but not inside the corporate boundaries of another municipality, only if both the municipality and the other county, by ordinance, enter into an agreement under IC 36-1-7.

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(d) If the two (2) units involved under subsection (c) cannot reach an agreement, either unit may petition the circuit or superior court of the county to hear and determine the matters at issue. The clerk of the court shall issue notice to the other unit as in other civil actions, and the court shall hold the hearing without a jury. There may be a change of venue from the judge but not from the county. The petitioning unit shall pay the costs of the action.

SECTION 6. IC 36-4-1-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) Municipalities are classified according to their status and population as follows:

STATUS AND POPULATION	CLASS
Cities of 250,000 600,000 or more	First class cities
Cities of 35,000 to 249,999 599,999	Second class cities
Cities of less than 35,000	Third class cities
Other municipalities of any population	Towns

(b) Except as provided in subsection (c), a city that attains a population of thirty-five thousand (35,000) remains a second class city even though its population decreases to less than thirty-five thousand (35,000) at the next federal decennial census.

(c) The legislative body of a city to which subsection (b) applies may, by ordinance, adopt third class city status.

SECTION 7. IC 36-12 IS ADDED TO THE INDIANA CODE AS A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

ARTICLE 12. REORGANIZATION OF MUNICIPAL CORPORATIONS

Chapter 1. Applicability and Definitions

Sec. 1. (a) This article applies to the following:

- (1) A county containing at least one (1) second class city.**
- (2) Any part of a municipal corporation that is inside the boundaries of a county described in subdivision (1).**

(b) This article does not apply to a county containing a consolidated city.

Sec. 2. The definitions in this chapter apply throughout this article.

Sec. 3. "Appointing authority" refers to a person who appoints a member of a government reorganization commission.

Sec. 4. "Commission" refers to a government reorganization commission established under this chapter.

Sec. 5. "Excluded municipality" means:

- (1) a third class city; or**

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(2) a town;
that acts under IC 36-12-4 to be excluded from government reorganization.

Sec. 6. "Included municipality" means:

(1) a third class city; or

(2) a town;

that does not act under IC 36-12-4 to be excluded from government reorganization.

Sec. 7. "Initial appointment of all members" means the appointment of members under IC 36-12-3-3. The term does not include the filling of vacancies on the commission or an appointment under IC 36-12-4-3.

Sec. 8. "Municipal corporation" means a county, city, town, township, library district, local housing authority, fire protection district, public transportation corporation, local building authority, local hospital authority or corporation, local airport authority, special service district, or any other separate local governmental entity that may sue and be sued. The term does not include a special taxing district or a school corporation.

Sec. 9. "Municipality" means a city or a town.

Sec. 10. "Person" means an individual, a corporation, a limited liability company, a partnership, a governmental agency, a political subdivision, or other legal entity.

Sec. 11. "Plan" refers to a government reorganization plan developed under this article.

Sec. 12. "Special service district" refers to a separate taxing district within which a municipal corporation levies and collects taxes in accordance with the kind, type, level, and character of services provided in the district.

Chapter 2. General Reorganization Powers

Sec. 1. A municipal corporation may reorganize as set forth in this article by changing any of the following:

(1) Governmental structure, including:

(A) consolidating or merging municipal corporations;

(B) consolidating or merging agencies, departments, commissions, or services of municipal corporations; or

(C) eliminating or creating a municipal corporation.

(2) Governmental finance.

(3) Governmental services.

(4) Governmental efficiency.

Sec. 2. A charter school may not be established under this article.

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1 **Sec. 3. A reorganized municipal corporation is subject to audit**
 2 **by the state board of accounts under IC 5-11-1-9.**

3 **Sec. 4. A reorganized municipal corporation is subject to the**
 4 **home rule provisions set forth in IC 36-1-3.**

5 **Sec. 5. A reorganized municipal corporation is subject to the**
 6 **following:**

7 **(1) Any general law of the state that does not conflict with the**
 8 **powers granted to a reorganized municipal corporation under**
 9 **this article.**

10 **(2) Statutes, laws, or rules that specifically govern a**
 11 **reorganized municipal corporation.**

12 **(3) The charter of the reorganized municipal corporation.**

13 **(4) Ordinances, resolutions, or bylaws of the reorganized**
 14 **municipal corporation.**

15 **Sec. 6. A reorganized municipality may not diminish the rights**
 16 **or privileges of any former municipal employee or present**
 17 **municipal employee in the employee's pension or retirement**
 18 **system.**

19 **Chapter 3. Government Reorganization Commission**

20 **Sec. 1. Before a municipal corporation may reorganize under**
 21 **this article, a commission must be established.**

22 **Sec. 2. A commission is established when:**

23 **(1) the county fiscal body and the fiscal body of each second**
 24 **class city within the county each adopt a resolution to**
 25 **establish a commission; or**

26 **(2) a resident of the county files with the county election board**
 27 **a petition that:**

28 **(A) is signed by the number of registered voters equal to at**
 29 **least five percent (5%) of the votes cast within the county**
 30 **in the most recent general election for the office of**
 31 **secretary of state;**

32 **(B) asks that a commission be established under this**
 33 **chapter; and**

34 **(C) requests a local public question on the question of**
 35 **government reorganization.**

36 **Sec. 3. Appointing authorities shall appoint members of a**
 37 **commission not more than sixty (60) days after a commission is**
 38 **established.**

39 **Sec. 4. Appointments to the commission shall be made as**
 40 **follows:**

41 **(1) Five (5) members appointed jointly by the city executive of**
 42 **each second class city located within the county.**

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(2) Five (5) members appointed jointly by the city legislative body of each second class city located within the county.

(3) One (1) member appointed jointly by the city executive of each third class city located within the county.

(4) One (1) member appointed jointly by the city fiscal body of each third class city located within the county.

(5) Five (5) members appointed by the county executive body.

(6) Five (5) members appointed by the county fiscal body.

(7) Two (2) members appointed jointly by the township executives of the townships located within the county.

(8) One (1) member appointed jointly by the township assessors located within the county.

Sec. 5. An appointing authority may not appoint more than one (1) commission member who is an elected official.

Sec. 6. A member of the commission must be a resident of the county that is the subject of the commission.

Sec. 7. A commission member may not receive:

(1) a salary; or

(2) a per diem;

for performance of the commission member's duties. The member may receive reimbursement for expenses necessarily incurred in the performance of the commission member's duties.

Sec. 8. Except as provided in IC 36-12-4, if a vacancy occurs on a commission, the appointing authority for that position shall appoint a person to fill the vacancy.

Sec. 9. If a member fails to attend three (3) consecutive meetings of a commission, the member is removed from the commission.

Sec. 10. (a) This section applies to a commission established under section 2(1) of this chapter.

(b) The expenses of the commission may be paid from:

(1) any public funds that are not prohibited from being expended for this purpose by state, federal, or local law; and

(2) private funds.

(c) Any expenses of the commission that are not paid from the funds described under subsection (b), shall be paid as follows:

(1) Fifty percent (50%) of the expenses shall be paid from the county general fund.

(2) Fifty percent (50%) of the expenses shall be paid from the general funds of all included second class cities. Each included second class city shall contribute equally for the payment of expenses.

Sec. 11. (a) This section applies to a commission established

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under section 2(2) of this chapter.

(b) The expenses of the commission may be paid from any combination of the following:

- (1) The county general fund.
- (2) The general fund of an included second or third class city.
- (3) Any public funds that are not prohibited from being expended for this purpose by state, federal, or local law.
- (4) Private funds.

Sec. 12. Private funds donated to a commission may be used:

- (1) to promote approval of a public question on government reorganization; and
- (2) for any other commission purpose.

Sec. 13. A commission may do the following and pay the associated costs:

- (1) Employ staff.
- (2) Obtain secretarial, clerical, professional, or consultant services.
- (3) Engage in public information or education activities.
- (4) Administer and perform the responsibilities of the commission under this chapter.

Sec. 14. Subject to IC 36-12-4-4, an affirmative vote of a majority of the members appointed to the commission is required for the commission to take any action, including adopting a report.

Chapter 4. Excluded Municipalities

Sec. 1. (a) Except as provided in subsection (b), if the fiscal body of a town or third class city adopts a resolution to exclude the municipality from government reorganization, the municipality is excluded as of the date the fiscal body adopts the resolution.

(b) A municipality may not adopt a resolution excluding the municipality from government reorganization more than twelve (12) months after the initial appointment of all commission members.

Sec. 2. If a municipality that adopts a resolution under section 1 of this chapter is a third class city that appoints a member to the commission under IC 36-12-3-4 the municipality ceases to be represented on the commission as of the date of the resolution.

Sec. 3. If a member appointed to the commission is a resident of an excluded town or excluded city, the remaining included towns or cities may remove the member and appoint a new member to the commission. The new member must be appointed not more than thirty (30) days after the town or city notifies the commission of its exclusion from the reorganization.

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1 **Sec. 4. An affirmative vote of the majority of the total number**
 2 **of members who are appointed to the commission after the**
 3 **membership is adjusted as set forth in this chapter is required for**
 4 **the commission to take any action, including adopting a report.**

5 **Sec. 5. (a) Except as provided in subsection (b), an excluded**
 6 **municipality may not adopt an ordinance annexing territory:**

7 **(1) that is subject to a government reorganization under this**
 8 **article; and**

9 **(2) after approval of a local public question on the**
 10 **government reorganization by the majority of voters under**
 11 **IC 36-12-6.**

12 **(b) If the legislative body of an excluded municipality adopts an**
 13 **ordinance annexing territory that is subject to a government**
 14 **reorganization under this article before a local public question is**
 15 **approved under IC 36-12-6:**

16 **(1) the municipality may continue the annexation proceeding**
 17 **after the local public question is approved; and**

18 **(2) the annexation has the effect of expanding the excluded**
 19 **territory.**

20 **Chapter 5. Commission Responsibilities**

21 **Sec. 1. A commission shall study government reorganization and**
 22 **develop a government reorganization plan.**

23 **Sec. 2. If the plan proposes the government reorganization of a**
 24 **municipal corporation, service, or department, the plan must**
 25 **include the following charter provisions for the reorganized entity:**

26 **(1) A name.**

27 **(2) A form and structure.**

28 **(3) Functions and powers.**

29 **(4) Officers and their powers and duties.**

30 **(5) An election of elected officials, if any.**

31 **(6) For affected county and municipal legislative bodies, the**
 32 **following:**

33 **(A) Boundaries of legislative districts.**

34 **(B) A provision enabling the legislative body to alter**
 35 **boundaries of legislative districts.**

36 **(7) Boundaries of special service districts, if any are proposed.**

37 **(8) Corporate dissolution of any municipal corporation.**

38 **(9) Transition provisions, including transition provisions**
 39 **regarding the timing of the elections of officials.**

40 **(10) Procedures for amending the plan.**

41 **Sec. 3. The commission shall establish an Internet web site to**
 42 **provide the public with information concerning a government**

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reorganization as set forth in this article.

Sec. 4. Not more than three (3) months after the initial appointment of all members of the commission, the commission shall do the following:

(1) Develop a proposed budget that is sufficient to allow the commission to complete the plan.

(2) Publish the proposed budget in a newspaper of general circulation throughout the county that has the commission.

(3) Post the proposed budget on the Internet web site established under section 3 of this chapter.

Sec. 5. Not more than six (6) months after the initial appointment of all members of the commission, the commission shall conduct at least one (1) public hearing to receive information and materials to assist the commission in preparing a plan.

Sec. 6. (a) Not more than nine (9) months after the initial appointment of all members of the commission, the commission shall submit to each appointing authority a preliminary report that specifies whether the commission proposes to reorganize any municipal corporations. The preliminary report may include a proposed plan.

(b) The commission shall:

(1) distribute the preliminary report to each public library in the county;

(2) post the preliminary report on the Internet web site established under section 3 of this chapter; and

(3) publish a notice in a newspaper of general circulation throughout the county that has the commission, notifying the public of where a copy of the preliminary report may be inspected or obtained.

Sec. 7. Not more than eighteen (18) months after the initial appointment of all members of the commission, the commission shall:

(1) submit a proposed plan to each:

(A) appointing authority; and

(B) public library in the county;

(2) post the proposed plan on the Internet web site established under section 3 of this chapter; and

(3) publish a notice in a newspaper of general circulation throughout the county that has the commission, notifying the public of where a copy of the proposed plan may be inspected or obtained.

Sec. 8. (a) Not more than thirty (30) days after the proposed

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plan is submitted and posted under section 7 of this chapter, the commission shall do the following:

(1) Receive written comments on the proposed plan from any person.

(2) Conduct at least one (1) public hearing to receive oral or written comments on the proposed plan from any person.

(b) After complying with subsection (a), the commission may revise the proposed plan. The committee shall disseminate the revised plan and publish a notice in accordance with section 7 of this chapter.

Sec. 9. (a) Except as provided in subsection (b), not more than twenty-one (21) months after the initial appointment of all members of the commission, the commission shall do the following:

(1) Submit a final report that contains the plan to each appointing authority.

(2) Post the final report including the plan on the Internet web site established under section 3 of this chapter.

(3) Certify a local public question on the approval of the plan to the county election board.

(b) If the committee makes a determination not to proceed with a government reorganization, the committee may only comply with subsection (a)(1) and (a)(2). The committee expires as set forth in section 10(3) of this chapter.

Sec. 10. A commission expires as follows:

(1) If a local public question submitted to the voters under this chapter is approved, the commission expires as provided in the transition provisions of the approved plan.

(2) If a local public question submitted to the voters under this chapter is rejected, the commission expires thirty (30) days after the certification of the election results under IC 3-12-4-9.

(3) If the commission makes a determination not to proceed with a government reorganization under section 9 of this chapter, the commission expires thirty (30) days after the final report is distributed to each appointing authority under section 9 of this chapter.

Chapter 6. Local Public Question

Sec. 1. The county election board shall place the public question on the ballot provided to all voters in the county at the earlier of the following:

(1) The first general election held after the certification of a public question on the approval of the plan.

(2) A special election if the county fiscal body and the fiscal

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body of each second class city in the county adopt an ordinance to order a special election on the public question.

Sec. 2. (a) A local public question shall be placed on the ballot as set forth in IC 3-10-9-4. The commission shall write the public question and the explanatory text for the public question.

(b) In addition to the requirements of subsection (a), the ballot on the local public question must contain a brief description and summary of the plan as written by the commission.

Sec. 3. At least one (1) month before the election on the local public question, the commission shall:

(1) Distribute copies of the full text of the plan to each public library in the county.

(2) Publish a notice in a newspaper of general circulation throughout the county that has the commission, notifying the public of where a copy of the full text of the plan may be inspected or obtained.

(3) Post the full text of the plan on the Internet web site established under IC 36-12-5-3.

Sec. 4. If the local public question is approved by a majority of the voters voting on the local public question, the county election board shall file a copy of the certification prepared under IC 3-12-4-9 concerning the local public question on the government reorganization plan with the following:

(1) The circuit court clerk of the county.

(2) The county auditor.

Sec. 5. Any statute not within this article that provides a procedure for consolidation, merger, dissolution, or incorporation does not apply to a government reorganization under this article.

Chapter 7. Effect of Reorganization

Sec. 1. Subject to sections 2 and 3 of this chapter, if a local public question is approved by a majority of the voters voting on the local public question, the following must occur in accordance with the transition provisions of the plan:

(1) Reorganized municipal corporations shall be established.

(2) Officials of reorganized municipal corporations shall be elected and sworn into their respective offices.

(3) Reorganized departments or services, if any, shall be established.

Sec. 2. (a) Except as provided in section 3 of this chapter, if a government reorganization requires an election of officers, the government reorganization takes effect when the officers of the new municipality are elected and qualified.

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(b) If a government reorganization does not require an election of officers, the government reorganization takes effect in accordance with the transition provisions of the plan.

Sec. 3. (a) A government reorganization may not take effect during the year preceding a year in which a federal decennial census is conducted.

(b) If a government reorganization requires the election of officers of a reorganized municipal corporation, a government reorganization that would otherwise take effect during the year preceding a year in which a federal decennial census is conducted takes effect January 2 of the year in which a federal decennial census is conducted.

(c) If a government reorganization does not require the election of officers of a reorganized municipal corporation, a government reorganization that would otherwise take effect during the year preceding a year in which a federal decennial census is conducted takes effect on a date:

(1) specified in the transition provisions of the reorganization plan; and

(2) after January 1 of the year in which a federal decennial census is conducted.

Sec. 4. Upon the corporate dissolution of a municipal corporation under this article, the following apply for purposes of all state and federal licensing and regulatory laws, statutory entitlements, gifts, grants-in-aid, governmental loans, or other governmental assistance under state or federal statutes, rules, or regulations:

(1) The entire geographic area and population of a reorganized municipal corporation that is established under this chapter shall be used when calculating and determining the distribution basis for the following:

(A) State or federal government statutory entitlements.

(B) Gifts.

(C) Grants-in-aid.

(D) Loans.

(E) Any form of governmental assistance that is not listed in this subdivision.

(2) Following a public hearing for which notice is published in a newspaper of general circulation throughout the county at least thirty (30) days before the public hearing takes place, the executive of a reorganized municipal corporation that is established under this chapter shall determine and designate

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to the appropriate state or federal agency those:

(A) geographic areas;

(B) parts of roads;

(C) segments of population; or

(D) combinations of the items listed in clauses (A) through (C);

that constitute rural or urban areas, roads, or populations, if this designation was previously required of any municipal corporation that is reorganized under this chapter.

Sec. 5. (a) A reorganized municipal corporation established under this article may exercise any constitutional or statutory right, power, privilege, immunity, or responsibility of any municipal corporation that was reorganized, if that right, power, privilege, immunity, or responsibility is as follows:

(1) It exists on the day the reorganized municipal corporation comes into existence.

(2) It is authorized or imposed after the reorganized municipal corporation is established on a municipal corporation of the kind that was reorganized to form the reorganized municipal corporation.

(3) If the reorganized municipal corporation is a municipality, it is authorized or imposed after the reorganized municipal corporation is established upon a municipality of the same class that the reorganized municipality belongs to as a result of the combined populations of any included municipalities.

(4) It is expressly authorized for or imposed upon reorganized municipal corporations.

(b) Rights, powers, privileges, or immunities exercised by a reorganized municipal corporation under subsection (a) are authorized for a reorganized municipal corporation despite the repeal or amendment of the statutes on which the rights, powers, privileges, or immunities are based, unless those statutes are expressly repealed or amended for reorganized municipal corporations.

Sec. 6. When a reorganized municipal corporation is established under this article, the following occur:

(1) Unless specified otherwise in the government reorganization plan, the ordinances, rules, resolutions, bylaws, and regulations of each of the included municipal corporations:

(A) remain in force within the territory to which they applied before the reorganization; and

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(B) continue in force until amended or repealed by the legislative body or an administrative body of the reorganized municipal corporation.

(2) Pending actions that involve any municipal corporation that is reorganized shall be prosecuted to final judgment and execution, and judgments rendered in those actions may be executed and enforced against the reorganized municipal corporation without any change of the name of the plaintiff or defendant.

Sec. 7. Dissolution of a township government under this article does not affect the geographical boundaries of the township.

Sec. 8. (a) On the date the formation of a new municipal corporation takes effect, all money in the funds of each of the included municipal corporations is transferred to the reorganized municipal corporation. The reorganized municipal corporation:

(1) shall deposit the money in its funds that most closely correspond to the funds of the included municipal corporations; and

(2) may use the money to pay its operational and capital costs for the balance of the calendar year.

(b) After the date the formation of a new municipal corporation takes effect, the reorganized municipal corporation is entitled to receive all distributions of taxes and other revenue that would have been made to the included municipal corporations if the reorganization had not occurred. The reorganized municipal corporation shall deposit the money in its funds that correspond most closely to the funds of the included municipal corporations into which the taxes or other revenue would have been deposited if the reorganization had not occurred.

Sec. 9. (a) This section applies if a government reorganization requires the election of officers of the reorganized municipal corporation.

(b) If the officers of a reorganized municipal corporation are elected and qualified before July 1 of a year, the officers shall:

(1) obtain from the department of local government finance approval under IC 6-1.1-18.5-7 of:

(A) a budget;

(B) an ad valorem property tax levy; and

(C) a property tax rate;

(2) fix the annual budget under IC 6-1.1-17;

(3) impose a property tax levy; and

(4) take any action necessary to ensure the collection of fees

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1 and other revenue;
 2 for the reorganized municipal corporation for the ensuing budget
 3 year.

4 (c) If the officers of a reorganized municipal corporation are
 5 elected and qualified after June 30 of a year:

6 (1) the tax levies and other revenue of the included municipal
 7 corporations:

8 (A) are collected for the ensuing budget year in the same
 9 manner the collections would have been made if the
 10 reorganization had not occurred; and

11 (B) are considered for all purposes the tax levy and other
 12 revenue of the reorganized municipal corporation; and

13 (2) the officers of the reorganized municipal corporation
 14 shall:

15 (A) fund the corporation for the ensuing budget year using
 16 the combined tax levies and other revenue of the included
 17 municipal corporations; and

18 (B) take the actions described in subsection (b)(1) through
 19 (b)(4) for the reorganized municipal corporation for the
 20 budget year that next follows the ensuing budget year.

21 Sec. 10. (a) This section applies if, as a result of a government
 22 reorganization, municipal corporations consolidate or merge.

23 (b) On the date a reorganized municipal corporation takes
 24 effect:

25 (1) the included municipal corporations are abolished as
 26 separate entities;

27 (2) the territory of the reorganized municipal corporation
 28 includes all the territory that comprised the included
 29 municipal corporations before the reorganization;

30 (3) the agencies of the included municipal corporations are
 31 abolished;

32 (4) the functions of the abolished agencies are assigned to
 33 agencies of the reorganized municipal corporation;

34 (5) the:

35 (A) property;

36 (B) records;

37 (C) personnel;

38 (D) rights; and

39 (E) liabilities;

40 related to the functions of the abolished agencies are assigned
 41 to agencies of the reorganized municipal corporation; and

42 (6) any bonds and other indebtedness of, or assumed by, the

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1 included municipal corporations are transferred to the
 2 reorganized municipal corporation.
 3 **Chapter 8. Levy Adjustments**
 4 **Sec. 1. This chapter applies to municipal corporations**
 5 **reorganized as described in IC 36-12-2-1 in a manner that:**
 6 (1) does not result in the creation of a new municipal
 7 corporation; and
 8 (2) assigns to one (1) of the corporations the responsibility to
 9 perform:
 10 (A) a function; or
 11 (B) part of a function;
 12 previously performed separately by one (1) or more other
 13 corporations.
 14 **Sec. 2. The department of local government finance shall adjust**
 15 **the maximum property tax levies authorized under IC 6-1.1-18.5**
 16 **or IC 6-1.1-19 to reflect the adjusted responsibilities of reorganized**
 17 **municipal corporations as described in section 1 of this chapter.**
 18 **SECTION 8. An emergency is declared for this act.**

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SENATE MOTION

Madam President: I move that Senator Skillman be added as coauthor of Senate Bill 225.

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COMMITTEE REPORT

Madam President: The Senate Committee on Governmental Affairs and Interstate Cooperation, to which was referred Senate Bill No. 225, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 5, line 29, after "1." insert **"(a)"**.

Page 5, between lines 32 and 33, begin a new paragraph and insert:

"(b) This article does not apply to a county containing a consolidated city."

Page 7, delete lines 36 through 42, begin a new paragraph and insert:

"Sec. 4. Appointments to the commission shall be made as follows:

- (1) Five (5) members appointed jointly by the city executive of each second class city located within the county.**
- (2) Five (5) members appointed jointly by the city legislative body of each second class city located within the county.**
- (3) One (1) member appointed jointly by the city executive of each third class city located within the county.**
- (4) One (1) member appointed jointly by the city fiscal body of each third class city located within the county.**
- (5) Five (5) members appointed by the county executive body.**
- (6) Five (5) members appointed by the county fiscal body.**
- (7) Two (2) members appointed jointly by the township executives of the townships located within the county.**
- (8) One (1) member appointed jointly by the township assessors located within the county."**

Delete page 8.

Page 9, line 1, delete "6." and insert **"5."**

Page 9, line 3, delete "7." and insert **"6."**

Page 9, line 5, delete "8." and insert **"7."**

Page 9, line 11, delete "9." and insert **"8."**

Page 9, line 14, delete "10." and insert **"9."**

Page 9, line 16, delete "11." and insert **"10."**

Page 9, line 30, delete "12." and insert **"11."**

Page 9, line 39, delete "13." and insert **"12."**

Page 10, line 1, delete "14." and insert **"13."**

Page 10, line 9, delete "15." and insert **"14."**

Page 10, line 23, delete IC 36-12-3-4(5), and insert **"IC 36-12-3-4"**.

Page 10, delete lines 25 through 36.

Page 10, line 37, delete "(c)" and insert **"Sec. 3."**

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Page 11, line 29, delete "Partisan" and insert "**An**"
and when so amended that said bill do pass.

(Reference is to SB 225 as introduced.)

RIEGSECKER, Chairperson

Committee Vote: Yeas 6, Nays 3.

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